FBIS DAILY REPORT

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MINISTERS TO RESIGN EN MASSE IN CABINET RESHUFFLE

FY080124 La Paz Radio Panamericana Network in Spanish 0000 GMT 8 Feb 80 FY

[Excerpt] All members of President Lidia Gueiler Tejada's ministerial Cabinet will resign en masse on Tuesday to allow her to reorganize the executive branch to begin the preparatory stage for the next general elections, the third to be held in the country during the past 3 years. Reliable sources have told Panamericana that several ministers may be retained. This possibility could be confirmed in the next few hours. President Gueiler will read a message from the executive branch before a special meeting of Congress to be held Monday afternoon, 11 February, at the legislative palace at her request. On that occasion, she will give details of the Cabinet reshuffle that will take place on Tuesday, 22 February.

GUEVARA ARCE'S PRA LEAVES PAZ ESTENSSORO'S MNR

FY071435 La Paz Radio Panamericana Network in Spanish 1130 GMT 7 Feb 80 FY

[Excerpts] The Authentic Revolutionary Party [PRA], headed by Walter Guevara Arze, has decided to break off relations with Victor Paz Estenssoro's Nationalist Revolutionary Movement [MNR] alliance in order to recover political independence. This resolution along with several others, was the most important decision reached during the national meeting of PRA leaders, held in La Paz during the course of a single day and fully attended by delegations from the interior of the country who paid their own expenses. In the next few hours the PRA will initiate contacts with all political organizations in order to define its participation in the coming electoral process. The PRA meeting mainly discussed political topics, and priority was given to immediate meetings with peasants, mineworkers and youth organizations.

The PRA leaders have not said with whom they might merge to form a political force in the electoral process, but they are aware that the party could never win the elections independently. Regarding this matter, one of the PRA executives, Mario Calderon Mendieta, made the following statement to Radio Panamericana:

[Being recording] The meeting has also decided to grant full powers to the party leader and his executive committee to begin political talks, negotiations, dialogs and contacts with all political currents which share the doctrinarian revolutionary principles that make them true political expressions of the nation's will. Mr Guevara and the executive committee have been authorized to initiate such talks and contacts as will allow us to correctly judge how and with whom we should negotiate for the good of the nation. [end recording]

MAGAZINE OFFICE BOMBED; NO CASUALTIES

FY071439 Paris AFP in Spanish 1409 GMT 7 Feb 80 FY

[Text] La Paz, 7 Feb (AFP)--It was reported today that a bomb exploded this morning in the office of AQUI, a weekly magazine with leftist tendencies. Jesuit Luis Espinal is director of the magazine. Interior Minister Jorge Selum immediately went to the site of the explosion, which caused only property damage. Two similar bombs exploded last week at the U.S. Embassy and near the home of the army commander, Gen Ruben Rocha. Neither of these explosions resulted in casualties. The magazine AQUI is characterized by its criticism of former President Hugo Banzer.

COMMENTARY WARNS OF U.S. 'INFERIOR MILITARY POSITION'

PY071217 Sao Paulo O ESTADO SAO PAULO in Portuguese 5 Feb 80 p 3 PY

[From the "Notes and Information" page: "Contradictions Strengthen the Adversary's Conviction"]

[Excerpts] We have no doubt that now that the United States has awakened from its long lethargy it will be able to overcome within a few years, or perhaps in a shorter time, the inferior position it now holds in the ares of nuclear and conventional arms. The huge potential of its heavy industry, placed at the service of military objectives through orders placed by the Pentagon--whose budget has been initially increased by 5 percent (above the dollar inflation) annually--could help restore the military power which until 1969 gave the United States considerable superiority over the Soviet Union. According to the opinion of experts, the United States is now in an inferior military position, which is noticeable in the nuclear field and considerable in the conventional field. This is also instrumental in explaining the serious crisis the world is now experiencing. It is proper to state that the contradictory remarks made by U.S. leaders have only served to undermine the credibility of Washington's foreign policy.

As is known, in his 23 January State of the Union message, in which he stated the unwavering U.S. decision to stop Soviet expansion, President Carter vowed to "use all appropriate means, including those of a military nature," should the USSR attempt to control the Persian Gulf, which is vital to U.S. interests and to those of the West because of petroleum. A few days later, former Defense Secretary Clark Clifford, visiting India as a representative of the U.S. Government, reinforced the president's remarks by clarifying the nature of his mission: "We are trying to convey a message to the Soviet Union. The message is this: The Russians should know that if part of their plan is to move to the Persian Gulf, that would mean war."

Harold Brown, who as head of the Pentagon is the chief of the U.S. military establishment, said later that the United States might not win a war of this type. His remark had no precedent in history, since never before had the head of the armed forces of a country expressed publicly and in advance doubts about winning a war. Could Harold Brown be yet another unconscious victim of the Vietnam syndrome? Could the defense secretary have considered the demoralizing psychological impact his remarks--which may have been sincere and realistic as is appropriate in a democracy--might have on the U.S. public, a 65-percent majority of which supports an armed conflict, if inevitable, in the Persian Gulf to defend the vital interests of the country and its allies? To minimize the effects of Brown's remarks, the chairman of the Joint Chiefs of Staff stated that should an armed conflict erupt, neither side could feel certain of winning. On the following day, the Pentagon publicly disavowed the pessimistic forecasts in an attempt to compensate for the poor impression given by the defense secretary. Yet, the painful impression one still has is that the denial confirmed the opinion of those who feel that at this moment the United States is in a clearly inferior position in the Persian Gulf region, both in terms of logistic and tactical and strategic forces.

Being a direct result of U.S. omissions and negiligence over the past 10 years, this situation was predictable, as can be proven by the leitmotiv of the commentaries of this newspaper. Yet, these pessimistic remarks not only demoralize the U.S. public but increase the apathy of the U.S. allies' foreign policies. The danger posed by all this is that the Russians--who, thanks to the KGB are better informed than the Americans about the U.S. military situation--may regard these remarks as an invitation to launch an operation now that has long been planned and prepared.

NATIONAL COMMITTEE MAINTAINS DECISION TO ATTEND OLYMPICS

PY072330 Brasilia Domestic Service in Portuguese 2200 GMT 7 Feb 80 PY

[Excerpt] Joao Havelange, president of the International Soccer Federation (FIFA) and a member of the International Olympic Committee, was received yesterday by President Figueiredo. Havelange said after the meeting that Brazil will maintain its decision to participate in the Moscow Olympic games in July.

Havelange said he had asked to meet Figueiredo because he was leaving tonight for New York to attend a meeting of the International Olympic Committee and he needed to know the Brazilian position in regard to the boycott proposed by the United States. The FIFA president said that in his opinion Brazilian presence at the Olympic games is important because sports should be above everything, especially politics.

[Begin Havelange recording] Brazil will maintain its position to attend and there will be no difficulty in the Brazilian team's going to Moscow. This is the government's official position at present, but we do not know how things may finally turn out. In my opinion as FIFA president and a member of the International Olympic Committee and of the Brazilian Olympic Committee, I feel that Brazil's attendance is always important because sports should be above every issue, especially politics. The FIFA statutes ban the consideration of political, religious or racial issues. [end recording]

FIGUEIREDO SPEECH STRESSES SOLIDARITY WITH DEVELOPING COUNTRIES

PY072323 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Feb 80 p 4 PY

[Text of speech by Brazilian President Joao Baptista Figueiredo at dinner given for Guinean President Sekou Toure at Itamaraty on 4 February]

[Excerpts] The Brazilian people, my government and I consider this to be a great moment in welcoming Your Excellency and the members of your delegation who are visiting our country for the first time.

I affirm, Mr President, that the developing nation's aspirations for progress constitute an undeniable right of their people. We can observe today clear signals of crisis in the world. The level of tension between the superpowers has increased considerably, and a climate which we thought had definitively changed is back with us. To the extent that these crises aggravate the difficulties experienced by our people, the nations of the Third World, particularly the African countries and Brazil, must support each other.

Our political instruments are certainly modest, but we cannot remain silent about any form of violation of the right to self-determination. Peaceful solutions must be sought with strict respect for local interests through a framework of negotiations shaped in accordance with the dynamics of the region.

There will be no real peace in the world as long as legitimate, real and just mechanisms for economic and social development are lacking. The disparities among nations are a factor of political exploitation with invariably harmful consequences. In that context, propositions for isolationism would make no sense. They will only serve to create new sources of tension.

We have a different objective. The Brazilian Government considers the growing solidarity among developing countries and their increasing capacity for dialog to be highly beneficial to these countries and the international community as a whole.

But, as we understand it, solidarity transcends mere circumstantial problems in North-South relations. Solidarity should stand for objective cooperation and authentic manifestations of a common endeavor.

In that spirit, the concrete subjects of dialog between our nations are varied and numerous. I am going to mention some of those subjects: increasing trade, exchanges in the area of science and technology, renewal of cultural ties, and exchanging experiences in the installation and operation of services. In the political area, I can mention the constant conciliation of positions on topics under discussion in multilateral forums.

World problems are no longer the exclusive concern of the powers or superpowers. Those problems affect all of us. Until recently we dealt with them by accomodating ourselves to imposed solutions. However, events that were decisive in forging the unity of the developing world have halted that trend toward accomodation. I am referring to decolonization in Africa and the independence of its people, among other things.

Recognizing the need for peace, justice and respect for the principles of the UN Charter, the developing countries reject any violation of their rights and any form of imposition.

I therefore express Brazil's wholehearted solidarity with the aspirations of the African countries which are the same as those of all the countries which love peace and justice. This is the reason why Brazil has firmly supported policies seeking to eliminate all traces of colonialism in Africa, the prompt solution of the problems of Zimbabwe and Namibia, and the elimination of racial discrimination and apartheid.

TOURE VISIT SIGNALS CHANGING ATTITUDE TOWARD MARXIST AFRICA

FY080050 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 80 p 6 FY

[Excerpt] According to diplomatic experts in Brasilia, President Sekou Toure's visit to Brazil reveals a change of attitude in the military establishment. The president of the People's Revolutionary Republic of Guinea is the first admittedly Marxist African chief of state and Soviet ally to officially visit Brazil. Until now Brazil's visitors have been rulers of more pro-Western countries such as Nigeria, Senegal and the Ivory Coast.

As for the Marxist African countries, Brazil has received visits that were reciprocated by medium-level Brazilian Government representatives. Angolan Trade Minister Carlos Alberto van Dunen complained to Industry and Commerce Minister Camilo Penna during his recent visit to Brazil that his country had never received a Brazilian visitor with ministerial status.

In the opinion of experts, Sekou Toure's visit now indicates that the resistance of the military establishment to closer contacts with Marxist African nations is beginning to lessen. A clear sign of this would be the way in which Toure's visit is reciprocated: A Brazilian Government mission will go to the People's Revolutionary Republic of Guinea in late March for an on-site survey of the sectors in which exchanges can be implemented in the short term.

BRIEFS

CREDIT TO URUGUAYAN IMPORTERS--Brazil has granted a credit for $100 million to Uruguayan importers to purchase Brazilian consumer goods. This credit will be used until June 1981, but the purchases will be financed up to 10 years. [Porto Alegre Radio Gaucha in Portuguese 1545 GMT 22 Jan 80 PY]

BRAZILIAN NAVY MINISTER TERMS PINOCHET MEETING 'FRIENDLY'

FY071735 Santiago Chile Domestic Service in Spanish 1630 GMT 7 Feb 80 FY

[Excerpt] The Brazilian Navy minister, Maximiano da Silva Fonseca, has stated that his meeting with Chilean President Augusto Pinochet was very friendly. The foreign official was escorted to the Government House meeting today by Adm Jose Toribio Merino and by Brazilian Ambassador Raul de Vicenzi.

At the end of the meeting, the Brazilian Navy minister said that although it was a protocol visit it was held in an atmosphere of cordiality and friendship.

OPPOSITION ELEMENTS ABROAD BLAMED FOR PRISON RIOTS

FY072137 Paris AFP in Spanish 1631 GMT 7 Feb 80 FY

[Text] Santiago, Chile, 7 Feb (AFP)--It was reported here today that the bloody riots which broke out on Wednesday at the Santiago de Chile Public Prison was caused by political sectors opposed to the Chilean military regime. One prison inmate was killed and more than 20 injured when the police put down the rebellion yesterday and prevented a mass escape.

Justice Minister Monica Madariaga stated today that "these are political manifestations prepared outside the country, and I have strong evidence to confirm my statement." She added: "We have in our hands a number of plans sent from abroad which tell the inmates what to do to cause these problems."

It was also recalled that 61 inmates from the same prison escaped last June through a tunnel they dug. Prison officials admitted, however, that one of the main causes of the problem is that more than 1,860 inmates are crowded into the prison, which was built for only 600 inmates.

According to official sources, the rioting which broke out on Wednesday, during which the inmates burned two cellblocks, began when the guards discovered two more tunnels prepared for a new escape. The minister also mentioned the discovery of maps and other documents seized by the police which reached the inmates through "an organization that claims to defend human rights."

She explained that the investigation has also been extended to the Santiago Penitentiary, another establishment where some political prisoners are still being kept.

BRIEFS

FRENCH SHIPBUILDING LICENSE--France will license the Chilean Navy to build 2,000-ton fast transport ships. This information was provided by Cap Jean Pierre Fourquet, commander of the French school ship Jeanne d'Arc, now on an official visit to Chile. [Paris AFP in Spanish 0711 GMT 29 Jan 80 FY]

FOREIGN MINISTRY DISCARDS DIALOG WITH NICARAGUA

PA071345 Bogota Cadena Radial Super in Spanish 2330 GMT 6 Feb 80 PA

[Oscar Dominguez report from Narino Palace--live telephone relay]

[Excerpts] In another reply to the Nicaraguan Government, the Colombian Foreign Ministry today completely discarded the possibility of a dialog to discuss the alleged Nicaraguan sovereignty over the San Andres and Providencia archipelagos and the Roncador, Quitasueno and Serrana cays.

Col Julio Londono Paredes, secretary general of the Foreign Ministry, said a decision regarding the possible break in relations between the two countries is the exclusive responsibility of President Turbay Ayala and Foreign Minister Diego Uribe Vargas. Londono Paredes, who is also president of the Colombian commission discussing border differences with a similar Venezuelan delegation, spoke at the end of a meeting at Narino Palace between members of the commission in question and President Turbay Ayala. This meeting was attended by Carlos Holguin, Alfredo Araujo Grau and Jorge Mario Eastman, in addition to the president, the foreign minister and Colonel Londono.

The members of the commission agreed that certain rapprochements [approximaciones] existed but no agreements have been reached yet in the dialog with Venezuela.

SECURITY, COMMUNICATIONS SYSTEMS IN CARIBBEAN STRENGTHENED

New Naval Base on San Andres

PA080151 Bogota Cadena Radial Super in Spanish 2330 GMT 7 Feb 80 PA

[Text] Colombia has strengthened its security and communications systems in the Atlantic Ocean and has established a modern naval base in (Coves) Bay, near San Andres. The base has ground and amphibious security systems as part of a defensive strategy and to emphasize the country's sovereignty over the Island of San Andres and the Colombian cays in the Caribbean Sea. Colombia has also increased its strength in the Atlantic--in the Cartagena bases and in the San Andres Naval Station.

Navy Frigate Purchases

PA080152 Bogota Cadena Radial Super in Spanish 2330 GMT 7 Feb 80 PA

[Text] The submarine (Pijau) and three other units of the Colombian Navy have been assigned to the new Caribbean naval base the Colombian Government has just built in the San Andres Archipelago. The decision to build this new base was made by the highest government officials [el alto gobierno]. Colombian ships have been given microwave communications so that the navy will have the necessary communications to insure the country's sovereignty over the San Andres Archipelago.

The national navy, which had postponed the purchase of several war units, has just acquired several units built in Spain. The frigates will be delivered this month. As soon as they are available they will be put into service. An official source told this news program that the frigates have missiles and other offensive equipment. The frigates originally were to be bought from Portugal but this country changed the negotiating terms and for this reason the navy decided not to buy them.

INTERIOR MINISTRY ISSUES COMMUNIQUE ON UPRISING

PY071300 Lima Domestic Service in Spanish 1220 GMT 7 Feb 80 PY

[Text] We have in hand an official communique. It is numbered 002-80, dated 6 February.

The Interior Ministry informs the citizens of the following:

1. Subalterns of the Civil Guard based in the city of Cuzco rioted yesterday and paraded through the streets of the city. Some of them were carrying weapons and inciting the public to disrupt order.

2. In view of the situation that has been created, the government has decreed a state of emergency in Cuzco department. The commander of the Fourth Military Region has assumed political and military responsibility for the region.

3. Civil Guard squads arrived in Cuzco this morning and immediately reestablished the services that are the responsibility of this police institution.

4. The personnel who had rioted ceased their measures of force during the afternoon.

5. The inspector general of the Civil Guard arrived in the city of Cuzco in order to carry out the pertinent investigation to find those who are accountable for the events mentioned in this communique.

6. Public order in Cuzco and the rest of the country remains unaltered.

PPC REGISTERS CANDIDATES FOR PRESIDENTIAL ELECTIONS

PA071729 Buenos Aires LATIN in Spanish 2305 GMT 6 Feb 80 PA

[Excerpts] Lima, 6 Feb (LATIN)--Luis Bedoya Reyes, former mayor of Lima on two occasions, heads the presidential slate of the Popular Christian Party (PPC) that registered today with the National Elections Tribunal.

Bedoya will be accompanied by lawyers Ernesto Alayza Grundy and Roberto Ramirez del Villar, candidates for first and second vice presidents, respectively.

The registration of the PPC slate ruled out a possible alliance with former President Fernando Belaunde Terry's Popular Action Party.

Bedoya was minister of justice and was elected mayor twice by popular vote. There has been speculation regarding a possible merger in order to obtain more than the 36 percent of the vote required by law for election of a new constitutional president.

BRIEFS

RECORD COFFEE EXPORTS--Peru exported a record quantity of coffee in 1979, with a total of 69,500 tons worth approximately $245 million. This year, however, despite the fact that an even better crop was expected, drought has significantly affected coffee platations. [Lima Domestic Service in Spanish 1200 GMT 31 Jan 80 PY]

CLOSER TIES ESTABLISHED WITH JAMAICA

PA071336 Buenos Aires LATIN in Spanish 0201 GMT 7 Feb 80 PA

[By Marcelo Galan]

[Text] Cozumel, Mexico, 6 Feb (LATIN)--Mexico and Jamaica have agreed to work together in their positions as Latin American representatives in the UN Security Council to seek solutions to problems brought up before that body. This commitment was included in the joint declaration issued here today at the end of the visit to Mexico by Jamaican Prime Minister Michael Manley who held 2 hours of talks with President Jose Lopez Portillo.

The communique indicated that the two chiefs of state had discussed the most important international problems, particularly those dealing with the Caribbean and Central America. It noted that the two countries have "established close contact, particularly bearing in mind their capacity as representatives of the Latin American region in the Security Council in order to coordinate efforts in the search of solutions to the region's problems."

Mexico promised to sell Jamaica 10,000 barrels of oil a day within a program aimed at promoting bilateral trade. Jamaica will sell Mexico 420,000 tons of aluminum a year as part of the government's plans for a regional supply of the product, which is the basis for its aluminum production.

The two countries expressed support for an international coexistence in which all states will respect ideological pluralism as the result of the expression of the right to self-determination. In this framework, they supported the aspirations of the territory of Belize which has been struggling to obtain its independence for many years. Manley and Lopez Portillo urged the countries of the area to ratify the nuclear nonproliferation treaty, a Mexican initiative seeking to eradicate the nuclear threat to the continent.

LOPEZ PORTILLO WILL NOT GO TO GUATEMALA

PA071708 Madrid EFE in Spanish 0513 GMT 7 Feb 80 PA

[Text] Mexico City, 6 Feb (EFE)--Mexico's Foreign Relations Secretariat today denied a rumor here to the effect that President Jose Lopez Portillo was planning to go to Guatemala this month. The secretariat admitted that there is a formal invitation from Guatemalan President Romeo Lucas Garcia to President Lopez Portillo but there is as yet no date. The secretariat attributed the report that Lopez Portillo was going to Guatemala to errors in Guatemalan diplomatic circles.

Mexican diplomatic circles said relations between Mexico and Guatemala have cooled since Mexico criticized the bloody incidents of 1 February at the Spanish Embassy in Guatemala City. These rumors were confirmed when Guatemala recalled Ambassador Jorge Palmieri, who blamed the Spanish ambassador for what took place.

It was also learned that Rafael de la Colina, Mexican ambassador to the OAS, has received instructions to follow the situation in Central America closely and to act according to guidelines established by Mexico's Foreign Secretariat. De la Colina is presiding over the OAS Permanent Council meeting which is analyzing, by request of the Spanish Government, the tragic incidents at its diplomatic mission in Guatemala.

EL SALVADOR

YOUTHS OCCUPY SCHOOLS IN CAPITAL, SAN MIGUEL

PA072210 Paris AFP in Spanish 2058 GMT 7 Feb 80 PA

[Text] San Salvador, 7 Feb (AFP)--The National Commercial School [ENCO], located in southern San Salvador, was taken over by approximately 100 youths who are members of the Salvadoran Revolutionary Student Brigades [Brigadas Revolucionarias Estudiantiles Salvadorenas], the student branch of the people's liberation movement.

The leaders of the occupation said that it has been peaceful but other sources reported that the youths did use some weapons to force the teachers to gather in a single room.

The group is keeping more than 30 persons hostage inside the building including the principal, the assistant principals and the teachers.

The youths said they were occupying the school to demand the elimination of the payments for a diploma ($6 per student) and for final examinations and to express their support for the occupation of the Education Ministry which was occupied to demand that everybody be allowed to attend high school, and the Spanish Embassy takeover.

The youths added that the occupation of the ENCO, with a student capacity of 5,000, is for an indefinite period of time. This school trains students for business careers and is the country's main educational center of the subject.

Moreover, the Movement of Revolutionary High School Students [MERS], which occupied the Education Ministry, reported here today that other student groups in the interior which are affiliated with the MERS took over the institutes of San Miguel, the country's third largest city, Aguilares and San Vicente in support of the MERS demand.

There are more than 100,000 high-school-age students in El Salvador and the high schools only have room for approximately 80,000 forcing other students to register at private schools.

UGB Threatens Youths

PA080134 Panama City ACAN in Spanish 0033 GMT 8 Feb 80 PA

[Text] San Salvador, 7 Feb (ACAN-EFE)--The clandestine ultrarightwing White Warriors Union (UGB) tonight threatened to machinegun the National Commercial School (ENCO) if it is not vacated soon by the leftist students who have occupied it in support of the seizure of the Education Ministry.

Activists of the leftist Movement of Revolutionary High School Students (MERS) occupied the ENCO installations at noon to demand the prompt opening of classes in the country's public schools and a solution to the problems brought to the attention of the Education Ministry.

The Education Ministry building continues to be occupied by MERS activists who have been holding 45 hostages, including the education minister, since Tuesday.

The MERS has occupied the Education Ministry to demand the release of a high school student arrested in eastern El Salvador.

In the ENCO, the leftists are holding some 25 hostages, including employees, teachers and parents who were at the school at the time of the occupation.

The UGB told ACAN-EFE over the telephone that it will act against "those communists" if they do not leave the school which is located three blocks north of the presidential house in south San Salvador.

SPANISH EMBASSY TALKS 'MAKING PROGRESS'

PA072038 Panama City ACAN in Spanish 1758 GMT 7 Feb 80 PA

[By Francisco Rubiales]

[Text] San Salvador, 7 Feb (ACAN-EFE)--Positive elements, such as the presentation and turning over to the courts of leftist leader Norma Guevara, and negative elements, such as a certain "hardness" in the process of negotiation, are part of the problem of the occupation of the Spanish Embassy here.

Norma Guevara, a leader of the National Democratic Union [UDN], the mass front of the Communist Party of El Salvador, was presented to the press today by the national police and it was reported that she has been put at the disposal of the courts.

The UDN leader is one of the prisoners wanted by the 28 February People's Leagues (LP-28), which has been occupying the Spanish Embassy since 5 February.

In a news conference this morning at the occupied diplomatic mission, newsmen could see a certain "tension" between the captors and the hostages.

Carlos Argueta explained this tension as a "product of the differences in social background and customs" between the hostages and the occupants.

Captive Spanish Ambassador Victor Sanchez-Mesas called the archbishop of San Salvador, Msgr Oscar Arnulfo Romero, on the telephone and told him that certain attitudes of the occupants of the diplomatic mission were bothering him.

These attitudes reportedly include the permanent and oppressive vigilance over the captives, even when they sleep at night, excessive rigidness in discipline and other aspects.

Five Spanish newsmen succeeded in speaking alone with the ambassador, but LP-28 leader Carlos Argueta, the leader of the occupiers, only granted 5 minutes.

Argueta reported that he had received another telephone threat in which the caller threatened to set the embassy on fire unless the hostages were released before 1100 today.

But he added that these calls, presumably made by extreme rightist groups, really came from the security forces.

The Spanish ambassador said he would not hold another news conference just to repeat what he has been saying ever since the embassy was seized and that he will meet the press again "only if there is news." The ambassador added: "Mr Argueta can hold all the news conferences he wants, but not I."

Although no official communique to this effect has been issued, it has been learned that the negotiations being carried out by a committee of ambassadors with the leaders of the LP-28 to solve the issue of the Spanish Embassy is experiencing difficulties. Apparently the LP-28 refuses to scale down its demands, as the other side wants.

The negotiating team is made up of the special envoy of the Spanish Government, Pedro Bermejo, general director for Ibero-America, and the ambassadors of Italy, Mexico and Ecuador. These persons have been meeting since 0800 today with LP-28 representatives.

Carlos Argueta admitted that the release of seven of the prisoners they are demanding has "softened the atmosphere," and even announced the possibility of releasing the two women hostages, Helvia America and Zoraida Zamora, a mother and daughter. However, the mother says she will not leave the ambassador under the present circumstances because she is his secretary and she feels her presence is essential for the best operation of the embassy. The daughter, Zoraida Zamora, says she will not leave without her mother.

Argueta, 21, has participated in three important occupations: at the Panamanian Embassy on 11 January, at the headquarters of the Christian Democratic Party on 29 January and now at the Spanish Embassy. He said he was "surprised" that the Spanish Socialist Workers Party had condemned the Spanish Embassy occupation. "We are surprised that a party of the working class has condemned the occupation," he told Spanish newsmen at the occupied embassy.

The general impression here is that although the negotiations are meeting unforeseen difficulties, they are making progress and the problem is on its way to being solved. However, Salvadoran diplomatic circles said that the situation is becoming more dangerous every day for the hostages and that everyone involved is getting nervous.

Ambassador Sanchez-Mesas reported today that the Salvadoran junta had offered official protection to the embassy in view of the threats of fire, but Argueta has rejected this offer.

FRG EMBASSY PERSONNEL TO LEAVE COUNTRY

PA071942 Buenos Aires LATIN in Spanish 1828 GMT 7 Feb 80 PA

[By Adrian Aldana]

[Excerpts] San Salvador, 7 Feb (LATIN)--The FRG Embassy here announced its plans today to abandon El Salvador, while negotiations aimed at achieving a peaceful solution of the occupied Spanish Embassy are still going on.

An FRG Embassy spokesman told newsmen that due to the wave of violence in El Salvador, all embassy personnel would leave the country soon.

According to Spanish Ambassador Sanchez-Mesas, the Salvadoran Government and the occupants of his embassy are acting in good faith and a solution seems imminent.

Meanwhile, the students occupying the Education Ministry since Tuesday have released most of their hostages, but about 100 others are still inside the building, including Education Minister Eduardo Colindres.

The students are demanding free education in El Salvador and the elimination of entrance examinations.

GUATEMALA

MOSCOW GAMES ATTENDANCE LEFT UP TO OLYMPIC COMMITTEE

PA080019 Guatemala City Radio Fabulosa in Spanish 2100 GMT 31 Jan 80 PA

[Text] President Gen Romeo Lucas answered President Jimmy Carter's message concerning his decision not to endorse U.S. participation in the Moscow summer games if the Soviet Union does not disengage its troops from Afghanistan next month. President Lucas told President Carter his administration understands perfectly well and shares the U.S. Government's concern over the Soviet Armed Forces' affront to Afghanistan's immunity [as heard] and sovereignty.

The Guatemalan president's answer continues by saying that Guatemala's Olympic Committee is an autonomous institution which, like many other legally recognized and social entities in Guatemala, follows its own bylaws and Executive Board decisions. He finally notes that in response to President Carter's request, he has sent a copy of Carter's letter to the chairman of the U.S. Olympic Committee to the Guatemalan Olympic Committee since it is up to the latter to decide on the matter.

15,000 NEW SALVADORAN REFUGEES ENTER COUNTRY

PA080029 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 31 Jan 80 PA

[Text] Some 15,000 Salvadorans have recently entered our country as a result of the exodus taking place in their country in the wake of an intensification of hostilities. The immigration authorities are maintaining strict control over the borders and other areas of easy illegal access.

For their part, the labor authorities are exerting control to prevent any imbalance resulting from Salvadoran demands for jobs. According to Labor and Social Welfare Minister Carlos Alarcon Monsanto, the General Labor Office authorities are exerting control over private companies to prevent any imbalances resulting from possible job demands by the Salvadorans, a situation that would reduce opportunities for Guatemalans.

The Government Ministry has reportedly begun controlling the passage of refugees into Guatemala through the border posts by means of the national police. According to authorized spokesmen, this is being done to control the exact number of refugees entering the country.

OIL COMPANIES ACCUSED OF NOT FULFILLING OBLIGATIONS

PA080136 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 31 Jan 80 PA

[Text] Finance Minister Hugo Tulio Bucaro has again confirmed that the oil companies operating in the country have neither fulfilled their fiscal obligations nor turned over 51 percent [as received] to Guatemala, as they are obliged to do in accordance with the international negotiations for the crude oil they are currently obtaining from the oil wells in the north.

According to the minister, Guatemalan oil and mining interests will be protected. To this end, the government has appointed an investigative commission so all those interested in taking advantage of the country's nonrenewable natural resources are forced to obey the laws. Otherwise, their concessions will be canceled.

HONDURAS

EDITORIAL ASSESSES BOWDLER CENTRAL AMERICAN VISIT

PA072235 San Pedro Sula TIEMPO in Spanish 25 Jan 80 p 6 PA

[Editorial: "Bowdler and the Mission To Reorientate the 'Triangle'"]

[Text] Right from the start, the presence of William Bowdler, U.S. assistant secretary of state for inter-American affairs, has been cause for concern to Guatemalan and Honduran Government circles as well as in the press that opposes the policy of changes in this part of the continent.

This reaction is a result of the role that the high-ranking U.S. official played in the final stage of Gen Anastasio Somoza's government in Nicaragua. In Guatemala, one legislator voiced his fear when he remarked that there are problems after any visit by Bowdler.

And in Honduras, it was being insistently asked: Why did Bowdler come here?

Generally speaking, it can be said that all U.S. Foreign Service officials travel abroad to defend the interests of their country and the rest of the governments have to accept U.S. policy. Thus, our versions or interpretations of the temporary presence in Central America of the U.S. assistant secretary of state for inter-American affairs reflect what we know of Washington's policy.

It is impossible to separate Bowdler's trip from the contents of the Viron Vaky report, which was submitted immediately after the fall of the tyrant Anastasio Somoza.

Viron Vaky recommended to the rulers of the "northern triangle," Honduras, El Salvador and Guatemala, fast and large-scale changes to prevent the violent course which bloodied Nicaragua and ruined its economy. And unless we remember incorrectly, this report said that in the case of El Salvador, these reforms ran the risk of being too late.

The Salvadoran situation confirms this prediction.

As far as the visit last week to the capitals of Guatemala, Honduras and El Salvador is concerned, the State Department itself supposedly assigned it the goal of "reorientating" the policy of those countries.

Meanwhile, reports from Guatemala state that in talks behind closed doors, the high-ranking officials of the U.S. State Department suggested to the governments of Gens Romeo Lucas and Policarpo Paz Garcia the reestablishment of a "sanitary cordon" ["cordon sanitario"] on the borders of El Salvador to stop Salvadoran guerrillas from getting help from abroad, apparently from Nicaragua.

The rulers of Honduras and Guatemala do not feel obliged to report to their peoples what they talked about with Bowdler, what the visitor outlined to them or what they said. For this reason, speculation on the visit is rife and the Guatemalan interpretation appears to avoid the heart of the matter that caused the voyage of the high-ranking official from Washington. For the U.S. to recommend what it did, it was not necessary to bring the message personally; it could have been done through ordinary channels.

It can be supposed that whatever was discussed was something of a very high level and highly confidential in nature.

The fact that the Guatemalan version of what was discussed confidentially in the Guatemalan capital mentions Nicaragua as a possible source of aid for the Salvadoran guerrilla struggle, along with the other significant fact that Bowdler did not visit Managua, leads one to suppose that the main topic was precisely the Government of Nicaragua.

In this regard, it is important for the peoples of Central America to know how the State Department views the policy of the new Nicaraguan Government, so that once this is known, it can be learned what the "orientation" was of the message brought by the assistant secretary of state to the rulers of the "northern triangle."

Today world tension is much more dangerous than before and, therefore, a policy is needed that takes all this into account. The friendly governments of Central America and the rest of the American Continent should be aware of all that goes on around them.

NICARAGUA

BORGE ASSERTS NO CONDITIONAL LOANS WILL BE ACCEPTED

PA071344 Managua Radio Sandino in Spanish 0300 GMT 7 Feb 80 PA

[Text] Our vanguard, the Sandinist National Liberation Front and the Government of National Reconstruction, based on the principle of peoples' self-determination [words indistinct] will not accept conditions set by any nation, not even regarding international loans. We know full well that the overthrown Somoza dynasty left behind a legacy of destruction, ruin, misery, poor health, illiteracy and a hugh foreign debt totaling $1.65 billion, $900 million of which was with international commercial banks. This is the hardest part of the renegotiation that Nicaragua is discussing with the United Mexican States.

Our people's self-determination is apparent in all spheres--the economic, political and ideological spheres--because Nicaragua has diplomatic relations with various nations and does business with nations of various ideologies. It is receiving loans and international solidarity to rebuild the nation.

Sovereignty is not argued--it is defended with weapons, the general of free men, Augusto Cesar Sandino, said. Today Interior Minister Commander Tomas Borge Martinez confirmed that truth by saying we Nicaraguans have regained our sovereignty and we will not sell out for a few dollars more. Therefore, Nicaraguan brothers, do not be deceived by the counterrevolutionaries who are spreading falsehoods, who are saying we are compromising ourselves with the nations that grant loans to Nicaragua, because our leaders are clear when they said that we are free, sovereign, independent of any foreign interference and friendly with all nations as of 19 July 1979.

What does Commander Borge have to say about this? Let us hear what he says: [Begin recording] Our condition is that no conditions be placed. Therefore we will not accept conditions on this loan or any other loan. We have regained our sovereignty and we will hold on to it until the end of time. We have been free and sovereign since 19 July and will be until the end of the world.

[Question] Have any nation set conditions on loans to Nicaragua?

[Answer] [Words indistinct] We have talked to certain U.S. officials who mentioned the case of Afghanistan. I told them our position on Afghanistan will not be related to the loan.

Our position on Afghanistan should be the free expression of our views and by no means should the loan be related to it. That is why I said we will not sell out for a few dollars more. [end recording]

BORGE REFUTES U.S. TORTURE ACCUSATIONS

PA070436 Managua Radio Catolica in Spanish 1300 GMT 2 Feb 80 PA

[Text] We have expressed our solidarity with Spain in connection with the incidents that took place in its embassy in Guatemala, Interior Minister Tomas Borge has commented.

On another subject, he said that among the members of the anti-Somozist people's militia there are elements worth saving, but that the weight of the law will have to fall on them first. We are not interested in punishing, he affirmed, but in reeducating. We will try to reeducate those elements during their years in jail because I think some of them can be saved, as they are basically honest. According to Borge, one cannot describe Wallace as a Workers Front [FO] leader. Still the visible leaders are Melvin Wallace, Sergio Prado and several others. Borge added that it is assumed the FO is being helped from abroad.

Regarding the $75 million loan from the United States, he has received confirmation that it will be granted.

On the topic of tortures here in Nicaragua he commented that that is a lie and he calls on newsmen to be his witnesses. He then said that a few days ago it was being rumored that 5,000 prisoners had been killed in jail, so he took several Yankees there to confirm the rumor was false.

FOREIGN MINISTRY ISSUES SAFE-CONDUCTS TO 'SOMOZISTS'

PA071551 Managua Domestic Service in Spanish 0330 GMT 7 Feb 80 PA

[Text] The Nicaraguan Foreign Affairs Ministry reported that a total of 56 safe-conducts have been granted to former Somozists who took asylum in several embassies in this capital. According to the report, 28 safe-conducts were issued to refugees in the Colombian Embassy, 12 to refugees in the Argentine Embassy and 4 in the Chilean Embassy.

Most were granted to persons of little importance during the Somozist regime, with the exception of former Labor Minister Adolfo Muniz Otero and the Lara Manzanares brothers, the latter accused of many crimes in the northern part of the country. Muniz Otero and the Lara Manzanares brothers took refuge in the Chilean Embassy.

The report also indicated that the Embassy of Colombia, with which Nicaragua has a territorial conflict, has the largest number of refugees, with a total of 48.

CASTRO SPEECH UNDERSCORES CLOSE TIES WITH USSR

PA071658 Paris AFP in Spanish 2058 GMT 6 Feb 80 PA

[By Jacques Thomet]

[Text] Havana, 6 Feb (AFP)--Prime Minister Fidel Castro has offered to send 10,000 Cubans to Siberia to cut the timber needed by Cuba. He also gave figures for the first time on Cuba's military presence in Asia and Africa.

Castro made an 18,000-word speech 27 December to the National Assembly. It was released today, with a distribution of 300,000 copies among Communist Party members and state officials. Castro explained that in view of the insufficient deliveries of timber to Cuba by the USSR in 1979--300,000 cubic meters instead of the 500,000 requested--he suggested to a Soviet delegation that he send 10,000 Cubans to Siberia to help cut and ship the timber to Cuba. Some of it would be kept by the USSR.

Based on Cuba's internationalist tradition, Castro indicated that if they were able to send 36,000 soldiers to Angola, 12,000 to Ethiopia and construction workers to Angola, Guinea, Libya and Iraq, we can also send 10,000 men and women to Siberia to cut the timber needed for our development. If Siberia has timber and the USSR is our sister, then we can consider that timber ours, and it is better in Siberia because it is less hot, Castro pointed out. In the same speech he referred to the consolidation of cooperation with USSR under an economic aid agreement for more than $10 million daily and to strengthening the struggle against privileges and the counterrevolution, which will be the two most important factors in Cuba's domestic policy in 1980.

The speech includes a detailed account of commercial exchange between Cuba and the USSR, which Castro termed as very good. There is a long-term plan for the island's development to the year 2000 with the cooperation of Soviet authorities to improve Cuba's economic integration with other socialist countries and with CEMA. The two countries have signed a 5-year commercial agreement for 1981-85.

During those 5 years, despite its own problems, the USSR will deliver 61 million tons of oil from a 63-million order placed by Cuba, which represents 12.2 million tons per year. Cuba is currently consuming 11 million tons per year. This oil will be sold to Cuba at $105 per ton. On the international market it is being sold at $250.

Cuba will deliver 17.5 million tons of sugar during those 5 years, 3.5 million tons per year, instead of the 20 million tons requested by the USSR. This difference was accepted because of difficulties faced by Cuba in its sugarcane harvest due to the rust disease now affecting 25 percent of the crop. According to Castro, sugar production in 1980 will be less than 8 million tons. Last year it was 7,992,000 tons. The USSR will pay Cuba $880 per ton, a preferential price. On the international market it is currently $280 per ton. There is a clause authorizing an increase in the price of sugar in case Soviet oil prices increase.

These privileges represent an additional annual profit of $2.1 billion for Cuba on its sugar and a savings on oil of $1.77 billion, a total of $3.57 billion. These figures represent an average of $10 million daily.

According to Castro, this privilege is possible thanks to the magnificent attitude displayed by the Soviets, a privilege that has been conceded for the past 20 years thanks to Cuba's revolutionary attitude. This cooperation coincides with the Cuban authorities' efforts to balance the 1980 budget with its own resources without having to resort to foreign loans.

Castro pointed out that his recent request for a $300-billion aid fund for underdeveloped countries for 1980-90 does not include Cuba, whose condition is incomparably better than that of other Third World countries, which are deprived of the fabulous incomes deposited by the oil-producing countries in the banks of the developed countries.

Cuba's production plan for 1980 is aimed at increasing domestic gross production 3 percent despite the problems in the sugar and tobacco industry. The loss for 1979 in the cigar business was estimated at $100 million. However, new profits are expected in the sale of seafood and citrus and in tourism and construction abroad.

With regard to the domestic political situation, Castro referred to the irresponsibilities denounced by his brother Raul, the reduction of privileges, weaknesses and negligence. He said special measures will be implemented against criminals and counterrevolutionaries.

U.S. ACCUSED OF SHARP TURNAROUND IN POLICY

FL071607 Havana Domestic Service in Spanish 1145 GMT 7 Feb 80 FL

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program commentary]

[Text] U.S. imperialism has taken a 180-degree turn in its policy. From Carter's crusade on human rights and international detente, Washington has suddenly adopted a policy of military threat and political and economic blackmail against the Soviet Union. It is not in the least a case of the logical rivalry between two opposing socioeconomic systems but a case of the preposterous idea of achieving military superiority and, from a position of strength, gaining political and economic advantages.

This new escalation in the cold war policy drags along countries such as England, China and others which, hoping to get some crumbs out of it, also play into the hands of imperialism. Several events in this decade have irritated the U.S. Government. For example, in Africa the liberation movement dealt a severe blow to colonialism. From the chain of countries whose peoples were subjected to exploitation and slavery, Angola, Mozambique, Guinea-Bissau, the Cape Verde Islands, Benin, Ethiopia and others achieved freedom.

During that same decade, the United States was defeated in Vietnam, and the recent victories of the peoples of Iran and Afghanistan have driven Pentagon leaders and their closest partners out of their minds. In Latin America, the Nicaraguan people achieved liberation. The Cuban revolution as well as the processes taking place in Grenada and other Caribbean islands as well as the prevailing situation in Central America have provoked the Carter administration's unparalleled insomnia. To this, one must add the domestic problems being faced by the Washington government, such as unemployment and inflation, which they are trying to cover up by worsening international relations and returning to the cold war.

One cannot lose sight of the fact that presidential elections will be held very soon in the United States and Carter needs to appear to be an energetic man, capable of making complex decisions, even if he leads the world to the brink of war.

This is the reason why Carter is trying to please the monopolies of the great industrial and military capital which, in the very last instance, would be the ones to support him for another term.

Present times do not call for hysteria, but rather for reasoning and peaceful coexistence among states. It should be recalled that with the large accumulation of nuclear bombs and the highly sophisticated military technology which the superpowers have, a bellicose confrontation would be disastrous for mankind and the United States, of course, would not exempted from those consequences.

PROPAGANDA SYMPOSIUM HELD TO RAISE AWARENESS

FL080039 Havana Domestic Service in Spanish 0000 GMT 8 Feb 80 FL

[Text] Antonio Perez Herrero, member of the party's Central Committee Secretariat, today chaired the opening session of the symposium on graphic propaganda, its ideological function, and its aesthetic values in socialist construction. The symposium will run through tomorrow, Thursday, at the Nico Hopez national PCC school in Havana City. Oscar Domenech, deputy chief of the Central Committee's department of revolutionary orientation, opened the symposium saying that among its main objectives was the search for and a thorough study of new aspects of graphic propaganda in order to raise political and ideological levels in this area. The meeting will be organized into three work committees which will analyze 30 reports by experts in graphic propaganda from several organs and institutions around the country. Also presiding at the first working session were Jose Felipe Carneado, member of the party's Central Committee and Rafael Almeida, vice minister of culture.

TRADE RELATIONS DISCUSSED WITH INDIAN MINISTER

FL070028 Havana Domestic Service in Spanish 0000 GMT 7 Feb 80 FL

[Text] Ernesto Melendez, vice minister-president of the Cuban State Committee for Economic Cooperation, today met with Indian Minister of Commerce Pranab Mukerjee. Commercial relations were discussed during the talk and the Indian minister announced that a delegation from India will soon leave for Havana to examine areas conducive to bilateral trade.

CULTURAL, TECHNICAL TALKS WITH FRANCE OPEN

FL061615 Havana Domestic Service in Spanish 1528 GMT 6 Feb 80 FL

[Text] The fourth meeting of the Cuban-French joint commission on cultural, scientific and technical cooperation for 1980-1980 has begun its working sessions during which scientific, cultural and educational exchanges between the two countries are being discussed. The French delegation is headed by French Ambassador to Cuba (Pierre Henri Renard) and the Cuban delegation by Lisandro Otero, the Foreign Ministry's press, information and cultural relations director.

CHANGES IN PARTY, AMBASSADORIAL POSTS ANNOUNCED

FL061217 Havana Domestic Service in Spanish 1145 GMT 6 Feb 80 FL

[Text] Comrade Jaime Cromset Hernandez-Vaquero, member of the PCC Central Committee, will assume the functions of first secretary of the provincial committee in Pinar del Rio Provice. The post of ambassador to the People's Republic of Angola being held by Comrade Crombet has been assigned to Comrade Rafel Francia Mestre, member of the PCC Central Committee.

DOMINICAN REPUBLIC

RELATIONS WITH CUBA WILL NOT BE ESTABLISHED

PA071724 Madrid EFE in Spanish 0314 GMT 7 Feb 80 PA

[By Rosendo Sepulveda]

[Excerpts] Santo Domingo, 6 Feb (EFE)--The president of the Dominican Republic said today that he will not establish diplomatic relations with Cuba and his government will not accept pressure from any country or interference by any foreign power.

President Antonio Guzman was specific in replying to a question put to him during a news conference with reporters who customarily cover the Government House and foreign correspondents accredited in this country. Asked if he would establish relations with Cuba, he replied firmly: "This government will not establish relations with Cuba."

Likewise, in connection with the recent visit by U.S. Army Gen Robert Schweitzer, Guzman stated that a visit by someone to this country cannot be described as interference.

"Our government will not allow interference by any foreign power. We are sovereign and independent," he said, adding that the fact that the Dominican Republic acquires supplies for its navy from the United States means absolutely nothing since it is necessary to renew equipment for the nation's defense.

With regard to the boycott of the Olympics requested by President Jimmy Carter, Guzman was curt when he said: "When the time comes, the government will decide what is most advisable."

On whether the Dominican Government will establish ties with the nations of Eastern Europe, the president said it would, that this was under consideration and that there is the possibility of establishing ties with European countries in the cultural, educational and commercial fields. He did not mention the field of diplomatic relations.

U.S. GENERAL'S VISIT LINKED WITH U.S.-CUBAN AIR INCIDENT

PA080456 Madrid EFE in Spanish 0436 GMT 8 Feb 80 PA

[By Rosendo Sepulveda]

[Excerpt] Santo Domingo, 7 Feb (EFE)--Official sources reported here today that 10 days ago there was an air incident near the Dominican border with Haiti between U.S. planes pursuing a squadron of four MiGs that had taken off from Cuba on a reconnaissance flight.

According to the report which had been kept secret, U.S. fighters from Guantanamo base began pursuing the squadron as soon as it took off from Cuba.

It was also learned that the Cubans noticed the presence of the other planes off the Haitian coast and moments later one of the MiGs experienced trouble and had to leave the group.

According to unofficial speculation, this was one of the factors that affected the atmosphere prior to the visit by Maj Gen Robert Schweitzer, U.S. Army strategy and operations chief during, which he clearly warned against communism.

GRENADA

GOVERNMENT NEGOTIATING LARGE AID PACKAGE

PL071510 Bridgetown ADVOCATE-NEWS in English 4 Feb 80 p 3 FL

[Text] St Georges, Grenada, 3 Feb (CANA)--Grenada is discussing with major world aid agencies a wide-ranging aid package for this country.

A high-level team of financial experts representing the International Monetary Fund (IMF), the World Bank and the Barbados-based Caribbean Development Bank (CDB) has just concluded discussions here with finance minister, Bernard Coard, and government planning officials.

The two sides discussed among other things Grenada's need for an emergency road repair programme, in light of the heavy damage done to the communications network following weeks of torrential rains and landslides here, an official statement said.

Damage to roads, bridges, retaining and sea walls, is estimated at EC$20 million.

The talks here also dealt with a general agricultural programme, including agro-industries, the statement said.

A list of projects was drawn up for presentation to the World Bank for possible funding by different donor countries and organisations.

Last year, government successfully negotiated a EC $4.1 million loan with the IMF, during discussions led by Mr. Coard in Yugoslavia.

Part of that loan will be used to revive the Grenada sugar cane industry.

JAMAICA

AID, EASIER OIL TERMS SOUGHT FROM MEXICO, VENEZUELA

PL061515 Kingston DAILY GLEANER in English 2 Feb 80 p 1 FL

[Text] Prime Minister Michael Manley is to visit Mexico next Wednesday, February 6, a Jamaica House source confirmed yesterday.

Purpose of the visit has not been stated, but according to EL NACIONAL, a Venezuelan newspaper, in a report published on January 30, Jamaica is seeking financial aid from Mexico.

Jamaica and Mexico have been involved in financial arrangements before, the best known being the Javemex deal in which the two countries were to have been associated in an aluminum project with Venezuela. Javemex, in which the Jamaican input was to have been the proposed alumina plant in South Manchester, has fallen through, however.

In the meantime the GLEANER has learnt that the Jamaican Government has made no new formal approach to the Venezuelan Government for assistance with oil purchases, nor has it sent an emissary to Venezuela to discuss proposals of assistance with the new prices charged by Venezuela for oil.

In a speech to gas retailers last Saturday, Mr. Horace Clarke, the minister of mining said that Jamaica was seeking a better price from Venezuela than the average of $32.30 for crude and spiked crude.

But GLEANER investigations in Venezuela reveal that there have been no special moves to pressure the Venezuelan Government.

As reported last week, the proposals being considered by Venezuela are that on a government-to-government basis Jamaica should pay $6 a barrel cash and the remaining $26.30 as a loan on a short term basis or $12 a barrel cash and $20.30 a barrel as a loan on a long-term basis.

The GLEANER understands that as payments to Venezuela for oil would amount to some $27 million monthly, either of these proposals would be of great assistance to Jamaica. But according to GLEANER sources in Caracas, the Venezuelan Government has been a little put off by Jamaica's sending teams to the Middle East before coming to Venezuela. The current president of OPEC is Venezuelan and any attempt to get OPEC to aid Jamaica from the special development fund would be enhanced if Venezuela supports it.

JLP REJECTS PSOJ CALL FOR COALITION GOVERNMENT

FL311945 Kingston DAILY GLEANER in English 28 Jan 80 pp 1, 13 FL

[Excerpts] The Jamaica Labour Party [JLP] has rejected the call by the president of the Private Sector Organization of Jamaica [PSOJ], Mr. Carlton Alexander, for a coalition government.

Deputy leader of the JLP and opposition spokesman on youth, Dr. Percival Broderick, made this known at a fund-raising dinner of Young Jamaica (youth arm of the JLP) at Cathay Restaurant, St. Andrew on Wednesday. The party will be making plans to ensure that 1980 would be "most uncomfortable, politically" for the present government, he said.

Dr. Broderick declared: "The Jamaica Labour Party will not be part of any government of best brains. We seek no unity with decadent forces. We have the best brains. We in the JLP do not intend to contaminate, water down or dilute the vast resources of intellect we have within the party."

Referring to the present economic crisis, Dr. Broderick said that all organizations in Jamaica were concerned with what was taking place in industry, agriculture, health, social welfare and other sectors of the economy.

"There is no argument or disagreement by anybody in Jamaica as to our present position. All, whether communist or socialist, whether they are in the private sector, the press, youth organisation, civic organisation, trade unions or women organizations--all agree that Jamaica is in crisis," he said.

Dr. Broderick said there was a growing tendency in the country that nobody knew this crisis was going to happen. He noted that the reasons given for the crisis were the I.M.F. loans and the oil crisis.

What the country was being told as the cause of this "great disaster," he said, were "lies and extensions of the truth." "What in fact we are getting is a government seeking to explain its mismanagement and not accepting the fact that they were told that bad house-keeping approach was the greatest cause of the dilemma we are now facing," he added.

He noted that while there could be no disagreement that there was a crisis, disagreement could arise in defining the cause of the crisis and the solution and answer to the problem.

Mismanagement and Corruption

The J.L.P., he said saw the cause of the crisis as "massive mismanagement, corruption and political deviation."

"No solution to the problem can take place without the total support of a revitalised private sector which is the only institution capable of creating the cash in-flows needed, and able to create the atmosphere for the expansion of industry to increase employment so that the country can become more productive and be able to stand on its own feet," Dr. Broderick said.

Also speaking at the function was Councillor Desmond McKenzie, president of Young Jamaica, who questioned the appointment of the Hon. Hugh Small as minister of education, youth and sport. He also called on the government to tell the country by the last day of February their plan for youth employment.

The function was chaired by Mr. Clive Williams, general secretary of Young Jamaica, who also gave the vote of thanks.

ELECTORAL COMMITTEE ASKED TO SPEED WORK FOR ELECTIONS

FL041920 Kingston Domestic Service in English 1730 GMT 4 Feb 80 FL

[Text] A special meeting of the interim Electoral Advisory Committee is now being held under the chairmanship of Professor Gladstone Mills following the announcement by Prime Minister Manley last night that elections will be called by October this year.

The meeting is understood to be reviewing the stage at which work on the reformed electoral system has now reached and ways in which its work can be speeded up.

In his broadcast last night, Mr Manley called on the committee to speed up its work in order that the country could decide by election day the economic path to be taken in light of the breakdown in negotiations with the International Monetary Fund. And Mr Manley is now meeting with representatives of the trade union movement at Jamaica House. The meeting is discussing the implications for the workers of certain measures for savings being introduced by government. Notice of the meeting was circulated this morning but it is understood that the trade union movement is well represented at the talks which started at 10 o'clock.

ST. LUCIA

OPPOSITION CALLS FOR LOUISY RESIGNATION, ELECTIONS

FL011525 Bridgetown ADVOCATE-NEWS in English 29 Jan 80 p 9 FL

[By Guy Ellis]

[Excerpts] Castries, St. Lucia, Monday (CANA)--St. Lucia's opposition leader John Compton has called for the resignation of the Allan Louisy government and fresh elections to resolve a power struggle racking the ruling Labour Party administration here for more than two months now.

Mr. Compton, St. Lucia's first prime minister, who was voted out of office in general elections last July, yesterday addressed hundreds of party supporters at a mass rally to mark his 25th year of unbroken service as a member of parliament.

The hour-long address dealt almost exclusively with the political crisis brought on by the fight between Mr. Louisy, and his Deputy George Odlum over who should be prime minister of the six-month-old administration.

The opposition leader said that the government had lost both its political and constitutional legitimacy to govern and should therefore resign and let the issue be decided by the people.

Amid cheers from party supporters, Mr. Compton said: "The present government have shown themselves to be a disunited group without any plan, without a programme, without a coherent policy and now, without an effective leader."

Mr. Louisy and his deputy have been at loggerheads ever since last November, when the prime minister said he had changed his mind about honouring an internal party agreement to step down at year end and take up the office of governor general instead.

Mr. Louisy said his decision was based on concern about the direction which the government would take under the left-leaning Mr. Odlum.

Last week government ministers supporting Odlum implemented a planned boycott of Cabinet meetings, forcing Mr. Louisy to appoint an additional two ministers without portfolio, to guarantee that he had a quorum.

He said that the faction supporting Deputy Prime Minister Odlum in the controversy could devour Mr. Louisy "if he will let them", but they would not be permitted to devour the country's Constitution.

"They will get into power if the people of this country put them there in free and fair elections conducted under international supervision, and not otherwise," declared the opposition leader.

Mr. Compton said his party was taking no sides in the controversy. "We shall make no deals. We shall participate in no coalition. The matter must be left to those voices which must once again be heard in free and fair elections."

He said that there were voices being raised in the current controversy which did not talk about the Constitution. These voices he said, spoke of assassinations, "even of their own prime minister."

Mr. Compton warned that St. Lucia was not Grenada (where the present leftist government came to power in an armed revolution last March 13) and those who were thinking of coups or any kinds of unconstitutional behaviour better think again, "because in addition to the forces of law and order, the might of the United Workers' Party will be mobilised to stop any such attempt."

He added "We shall, if necessary, die as free men and women rather than live as slaves under a dictatorship."

Mr. Compton said that the present controversy was a crisis of the utmost gravity, and a spectacle which was without precedent in any democratic country.

GOVERNMENT TO BORROW ADDITIONAL FUNDS FROM ABROAD

FL041605 Bridgetown ADVOCATE-NEWS in English 1 Feb 80 p 3 FL

[Excerpt] Georgetown, Guyana, 31 Jan (CANA)--The Guyana Government is moving to parliament for approval of two bits of financial legislation which could have bearing on the timing of the 1980 budget.

The government press reported yesterday that Finance Minister Frank Hope has issued an order enabling the administration to borrow up to G1500 million (US$588 million) from abroad--or G$500 million (US$196 million) more than at present.

The order is subject to an affirmative resolution of the National Assembly, which is expected to meet Friday.

The CHRONICLE newspaper reported that Mr. Hope will also introduce a "financial administration and audit (amendment) bill" aimed at lifting restrictions of drawings from the consolidated fund.

It's the consolidated fund from which government makes contingency drawings pending parliamentary approval, such as between budgets.

Under the existing law, the government can withdraw up to a quarter of the amount of the last budget sum.

However, Mr. Hope will be asking parliament to empower the administration to withdraw any part of the fund needed to carry on the services of the government, up to three months in the new year or the coming into effect of the appropriation act which stems from budget approval.

FOREIGN DEBT TO BE DEFERRED, REFINANCED

FL012151 Kingston Domestic Service in English 2030 GMT 1 Feb 80 FL

[Text] A group of international banks today agreed to defer and refinance debts owed by Guyana. The agreement was signed in New York and announced in Barbados by the Royal Bank of Canada, which said it was also giving the Guyanese Government a 10 million U.S. dollar loan for imports. Out of the agreement the Royal Bank has been made coordinating agent and manager for the deferral and refinancing of approximately 28.5 million U.S. dollars of the country's Euro-currency foreign debt. The deferred payments are to be converted into two medium-term loans, each of 7 years duration. The agreement on refinancing was signed by Guyana's Minister of Finance Frank Hope and Central Bank Governor (Pat Matthews).

MISSION TO LIBYA, IRAQ NETS SIZABLE LOANS

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[Text] Georgetown, Guyana, 3 Feb (CANA)--Loans totalling US$40 million, joint ventures in agriculture, fisheries and oil refining, trade expansion and closer diplomatic ties with the Middle East are among the major results announced here by Prime Minister Forbes Burnham from his recent visit to Libya and Iraq.

He told a press conference that agreements were signed for:

--US$30 million soft loan from Iraq;
--US$10 million balance of payments support from Libya;
--a package of joint ventures with Libya; and
-- exchange of ambassadors.

Mr. Burnham reported that the Iraq loan of US$30 million is repayable over a ten year period with a two year moratorium at interest rate of two and a half per cent.

The money is to be used for development projects to be identified by Guyana, and the funds should be transferred to Georgetown as soon as the loan agreement is ratified.

The Guyana Government has already ratified it and it is to be sent to Iraq, Mr. Burnham said.

Economic Development Minister Desmond Hoyte explained that projects earmarked for the use of the loan funds are for oil palm cultivation, an interior road, establishment of an industrial estate 25 miles south of here, completion of a tannery and leather factory, recycling of energy for a new glass factory, and construction of a block of government offices.

Mr. Burnham added also that Iraq will shortly establish an embassy in Guyana, (Libya already has an embassy here), while his government would set up missions in both Tripoli and Baghdad.

In the case of Libya, that country has agreed to deposit US$10 million in the Bank of Guyana for balance of payments support, Mr. Burnham disclosed.

A package has also been agreed for joint ventures for an oil refinery, using Libyan crude oil and joint corporations for agricultural and fisheries development.

In such ventures, Guyana is to have 51 per cent of the equity.

The agricultural corporation would concentrate on expansion of rice cultivation and oil palm and legumes production in various land development schemes in Guyana.

Mr. Burnham disclosed further that an Austrian firm completed a feasibility study for an oil refinery for Guyana three years ago, the tentative price tag being US$100 million.

This study would be updated by a joint Guyana-Libya team set up to work out areas of co-operation between the two countries.

It would be considering also the other projects agreed upon between the two countries, including sale of oil by Libya to Guyana at so far unspecified concessionary prices.

In answer to a query, Mr. Burnham said he did not see how the agreements with the two Arab states could influence Guyana relations with the United States.

He described relations with Washington as "tolerably well".

On a further query which reminded him that there was already some oil refining capacity in the Caribbean Community (CARICOM), Mr. Burnham said that from Guyana's point of view no difficulties were foreseen in relations with other CARICOM states.

"Guyana cannot be blamed for seeking to ensure a reasonable and reliable supply of oil. Charity begins at home," he added.